30. *Water Supply schemes.* The capital outlay on the Trivandrum Willingdon Water Works is expected to stand at Rs 58·2 lakhs at the end of this year and the expenditure provided for in the budget is Rs ·50 of a lakh for extension of street mains and settlement of contractors' accounts and other liabilities.

The schemes for the supply of water in the towns of Alleppey and Shencottah are progressing and it is expected that the Supply could be begun in October next. The water supply scheme for the Nagercoil town is also making fairly good progress.

31. *Trivandrum Drainage.* Sewer-laying work is in good progress, as also the construction of manholes and house connections. Pumps for the Pumping Station at Kuriathi and the sub-pumping Station at Karamanai are expected to arrive from abroad and be installed towards the middle of next year. The construction of the Pump House will be started soon after the monsoons. The expenditure under the scheme would stand at about Rs 16·3 lakhs by the end of this year. An expenditure of Rs 5·7 lakhs has also been provided for in the next year's budget.

32. *Railways.* The capital charge for the Quilon-Trivandrum Railway and the Chakai-Thampanur Extension at the close of the year ended 31st March 1938 was B. Rs. 52·69 lakhs and B. Rs. 27·29 lakhs respectively. The budget estimate for 1115 provides for a sum of Rs. 26,790 mainly to meet payments on account of land acquisition charges anticipated to be decreed by courts. The South Indian Railway Administration is now working the Extension provisionally as part of the Quilon-Trivandrum Section, pending settlement of the terms which are still under consideration. The agreement is expected to be drawn up shortly.

The working of the Travancore Railway resulted in a loss of B' Rs. 52,188 for the year ended 31st March 1939 representing the deficit in the interest guaranteed by the Government, the amount being worked out on yearly calculations in accordance with the revised orders of the Government of India. A sum of B. Rs. 13,092 has also been refunded by the Railway Company in addition to the sum of B. Rs 15,052 already refunded as mentioned in my predecessor's speech last year.

In this connection, I may also inform the House that our representation for the reduction of the rate of interest, with retrospective effect, on moneys advanced by the Secretary of State for discharging debentures in 1924 and 1926, from $5\frac{1}{2}$ per cent to $3\frac{1}{4}$ per cent per annum is still under the consideration of the Central Government. The probable savings if the Central Government accept our representation would be about Rs ·75 of a lakh.

Commercial Undertakings.

33. *Pallivasal Hydro-Electric Project.* The works in connection with this scheme are nearing completion. The sub-stations at Mavelikara, Kundara, Pallom, Kothamangalam and Alwaye are ready. The construction of the new Power House at Pallivasal is over and the generating plant is being re-erected. The major transmission lines are

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ready and the distribution lines are almost complete; and it is anticipated, to certainty, that the project will be in actual operation before the middle of next year and in all probability by the middle of December 1939. The revenue yield for the six months the scheme will be in operation next year, has been estimated at Rs. 2·5 lakhs; and it is hoped that within 3 years from the commencement of service, the scheme will be able to meet interest, depreciation and working expenses. The total expenditure on the project, including civil and electrical works, is expected to stand at Rs. 127·35 lakhs at the close of the current year, while for the next year, a provision of Rs. 20 lakhs has been included in the Budget for the completion of the unfinished items of work, as well as for operation expenses.

34. *Trivandrum Electric Supply.* The total capital expenditure on this scheme is expected to stand at Rs. 10·60 lakhs at the end of the current year and the expenditure budgeted for for the next year is Rs. ·70 of a lakh. The present generation is 1·33 million units per annum, which is likely to mount up to 2 million units with the opening of the Rubber Factory. The demand for supply of power is encouraging and the gross receipts during the current year are expected to be Rs. 2·55 lakhs and those during the next year are estimated at Rs. 2·76 lakhs.

35. *Quilon Electric Supply.* By the close of the current year, Government would have incurred a capital expenditure of Rs. 3·11 lakhs on this scheme and Rs. 3·41 lakhs by the close of the next year. There is a rapid increase in the demand for supply of power. The total generation in 1112 was only ·23 million units. It rose up to ·8 million units in 1113 and is expected to go up to 1·7 million units at the end of this year. The receipt for this year is estimated at Rs. 1·37 lakhs and that for the next year at Rs. 1·50 lakhs.

The Depreciation and Reserve funds of the Electrical schemes are expected to stand at Rs. 6·97 and Rs. 3·08 lakhs respectively at the close of the next year.

Sir, Travancore has boldly ventured to harness the Munnar in the confident hope that she would supply the State's deficiencies in iron, cotton and coal by what the Americans call "White coal" and thereby ensure a never failing source of ever-expanding accession of revenue as well as the country's industrial growth and re-generation. The example of Sivasamudram in Mysore and of Pykara in Madras, the latter of which owes its courageous inception and statesman-like execution to you Sir, when you held the reins of office in the Presidency, should assuredly hearten us to push on with the Pallivasal Scheme which heralds the dawn of a new era of hope and prosperity.

36. *Trunk Telephone Scheme.* This Scheme is making rapid progress. The Trunk line from Trivandrum to Quilon has already been brought into operation and the remaining works are expected to be finished during the year. The capital expenditure on the scheme is estimated to stand at Rs 3·98 lakhs at the close of the current year.

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while for the next year an expenditure of Rs 2·73 lakhs has been budgeted for. When the full scheme is brought into operation, it is hoped that the service will be freely availed of by the trading classes and that it may go a great way to further the progress of trade in the land by bringing the markets of the country into direct contact with the busy marts of the world, thereby enabling the local merchants to take the best advantage in due time of an ever ready knowledge of the fluctuations and vicissitudes in the outside markets.

37. *Broad-casting.* An estimate of Rs 2·80 lakhs has been sanctioned for this work. The equipments for the transmitting station and the studio are expected to arrive at site by Thulam next. The station is likely to start operation towards the latter half of the next year. The total expenditure at the end of the next year on this scheme is expected to stand at Rs 1·75 lakhs. One important feature of this scheme is the inclusion in the programme of 100 Community receivers at the important villages and towns in the State, the underlying idea being to take in hand the problems of adult education and the dissemination of information and advice of practical use to the dwellers in the villages and the countryside, as well as the satisfaction of their musical tastes and desire for general news.

38. *Commercial Transport.* The department has been functioning for about a year and a half and during the first six months of its working *i. e.*, from Kumbhom to Karkadagom 1113 it was able to show a net profit of 20·4 per cent. per annum on a capital outlay of Rs 5·98 lakhs. The total receipts estimated for the current year are Rs. 9 lakhs and the total expenditure excluding depreciation, interest and other charges of 1113, amounts to Rs 7·95 lakhs, the next receipts of the year being Rs 1·05 lakhs on an outlay of Rs 8·20 lakhs. This works out to about 13 per cent. per annum. But considering the various adverse circumstances which prejudicially affected the smooth working of the scheme, such as obstruction to traffic on account of political disturbances, destruction of and damages to buses caused by the mob at several places, and the rise in the price of high speed diesel oil, it cannot be said that a profit of 13 per cent. on the outlay is in any way discouraging. With the restoration of normal conditions and the regular working of the Cochin-Munnar Lorry service, better results are expected during the next year. The capital expenditure on the scheme at the end of this year is estimated to be Rs 8·2 lakhs, while for the next year an expenditure of Rs 1·75 lakhs has been budgeted for.

39. *Clay refining and Porcelain Factory.* The factory has commenced work. Since the middle of the year, the mining and washing of China clay have been undertaken on a limited scale. The clay obtained is of the best quality and compares favourably with the best English China clay. Clay to the value of Rs. 10,000 has so far been sold and it is estimated that by the close of the year the sales would go up to Rs 15,000. Certain improvements in the arrangements for pumping water and drying have been found necessary. These will be effected soon and with these improved equipments, it is quite probable that the

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sales would mount up to Rs 1 lakh next year. Drainage pipes, pickle jars, Sanitary wares and electrical goods are being successfully manufactured at the factory. The question of finding suitable markets for these goods and also primarily for the refined China clay itself whose high quality is admitted, is engaging the attention of Government. The total investment on the factory at the end of this year will be Rs 6·85 lakhs and Rs 7·35 lakhs at the close of next year.

40. *State Life Insurance.* The Public Branch of the State Life Insurance having completed the first five years of its existence in Kumbhom last, steps have been taken for the first acturial valuation of the Insurance Fund. The results of the valuation are not yet available. But there is no question of the continued popularity of the scheme. The number of policies in force is over 5100 and the balance to the credit of the fund which stood at Rs. 3·73 lakhs at the commencement of the current year is expected to go up to Rs 5·53 lakhs by the close of the year. The official branch of the Insurance Scheme is also working satisfactorily and the closing balance of the Fund at the end of the year is expected to be 4·46 lakhs.

41. *The State Provident Fund.* The scheme is becoming more and more popular from day to day among the officers of Government, the number of subscribers admitted to the fund to date being about 12,700 against 11,234 at the close of last year. The closing balance at the end of the current year is expected to stand at Rs 11·85 lakhs and that at the end of next year at Rs 14·45 lakhs.

42. *Savings Bank (Anchal and Treasury).* The Savings Bank is being resorted to very freely by the public for investing their money in. The closing balance in the Savings Banks of the State which stood at Rs 182 lakhs at the close of 1113 is expected to mount up to Rs 186 lakhs at the close of this year and to Rs 196 lakhs at the close of next year.

In deference to the repeated wishes of the investing public restrictions regarding the maximum deposit to the credit of a depositor have recently been modified, the limit having been raised in a few Treasuries and Anchal Offices from Rs 20,000 to Rs. 50,000, the interest on the excess over Rs 20,000 being however only 2 per cent.

ASSETS AND LIABILITIES.

43. The usual statements of assets and liabilities are furnished on pages 13 and 14 of the budget estimates. The Government balance including the General Reserve fund of Rs 60·55 lakhs, the Revenue Reserve Fund of Rs 12 lakhs and the Sinking Fund balances which stood at Rs 136·26 lakhs at the beginning of the current year, is estimated to stand at Rs 94·71 lakhs at the close of the next year, as a result of our capital programmes on non-productive schemes during the current and ensuing years. Besides the above, we have financed remunerative schemes, shown under Debt Heads to the extent of Rs 194·66 lakhs. This is a true picture of our present position, and in

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